

## Message Text

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ACTION EB-08

INFO OCT-01 EA-10 NEA-10 COME-00 TRSE-00 OMB-01 L-03  
STR-07 OPIC-03 XMB-02 ISO-00 /045 W  
-----052807 181842Z /43  
R 180429Z APR 78  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC 7114  
INFO AMEMBASSY JIDDA

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E.O. 11652: N/A  
TAGS: EINV, ETRD, TW  
SUBJECT: SALE OF BUSES TO ROC

1. THE ELITE INDUSTRIAL CORPORATION, AN ROC COMPANY, HAS AGREED TO PURCHASE 170 BUS CHASSIS FROM WARD INDUSTRIES, INC., OF CONWAY, ARKANSAS. ELITE IS ACTING AS A MIDDLEMAN IN A DEAL BETWEEN WARD AND TANG ENG IRON WORKS, A TAIWAN PROVINCIAL GOVERNMENT CORPORATION. TANG ENG, IN TURN, WAS AWARDED A CONTRACT FOR 170 BUSES BY THE CITY OF TAIPEI. WARD PLANS TO SHIP THE BUS CHASSIS (WITH INTERNATIONAL HARVESTER ENGINES) TO TANG ENG'S PLANT IN HSIN CHU. BUMPERS, BATTERIES, SPRINGS, TIRES, AND FUEL TANKS WILL BE LOCALLY SUPPLIED AND ASSEMBLED BY TANG ENG. THE BUSES WILL THEN BE DELIVERED FOR USE BY THE CITY OF TAIPEI. WARD EXPECTS TO BEGIN SHIPMENTS TO TAIWAN IN A FEW MONTHS. UNIT PRICE TO BE PAID TO WARD, FOR MOBILE, ALABAMA: US DOLLARS 12,353 (COMMERCIALLY SENSITIVE).

2. REPRESENTATIVES OF WARD AND ELITE TOLD EMBOFFS THAT A JAPANESE FIRM WAS WILLING TO SUPPLY THE BUSES AT A UNIT COST SEVERAL THOUSAND DOLLARS CHEAPER. HOWEVER, THERE WOULD BE NO LOCAL CONTENT, AND NO TRAINING OF LOCAL  
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WORKERS. WARD HAS ALREADY AGREED TO TRAIN TANG ENG EMPLOYEES IN THE ASSEMBLY OF BUSES, AND EXPECTS TO ENTER INTO A JOINT VENTURE WITH TANG ENG IN THE NEAR FUTURE. WARD ALSO PLANS TO SEND ABOUT ONE HUNDRED TAIWAN WORKERS TO ITS PLANT IN SAUDI ARABIA (A JOINT VENTURE WITH A SAUDI COMPANY). NEVERTHELESS, THE TAIPEI CITY GOVERNMENT TRIED TO BACK OUT OF THE DEAL AT THE LAST MINUTE

AFTER MANY MONTHS OF NEGOTIATION, IN ORDER TO TAKE  
ADVANTAGE OF THE LOWER JAPANESE PRICE. EMBOFFS RAISED  
MATTER WITH HIGH-LEVEL GROC OFFICIALS, AND ELITE  
PURSUED ITS OWN CONTACTS IN THE CITY GOVERNMENT AND  
ELSEWHERE. THE CITY FINALLY AGREED TO AWARD THE  
CONTRACT TO WARD, BY WAY OF TANG ENG AND ELITE.

3. WARD ANTICIPATES THAT THE WARD-TANG ENG JOINT  
VENTURE IN HSIN CHU WILL EVENTUALLY PRODUCE BUS  
CHASSIS AND PARTS FOR SALE TO SOUTHEAST ASIA AND TO  
SAUDI ARABIA. UNGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, GROUND VEHICLES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TAIPEI02351  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780166-0282  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Subject:** SALE OF BUSES TO ROC  
**TAGS:** EINV, ETRD, ELTN, TW  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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